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INTELLIGENCE STRATEGY REPORT

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INTELLIGENCE DIVISION
INTELLIGENCE ANALYSIS UNIT

15 May 2006

SUBJECT: US-Iran Conflict: The Threat to New York City

Significance:

The present diplomatic conflict between the US and Iran over Iran's nuclear proliferation has the potential to evolve into armed confrontation between the two nations. New York City has always been a prime target for terrorist groups and as the possibility of military action taken against Iran grows stronger, so does the danger of the City being attacked by agents of the Iranian government or its sympathizers. It is vital that potential sources of danger be identified so that law enforcement can maximize opportunities to neutralize these threats.

Key Findings:

- Open source reports indicate that the Shi'a community in NYC area is estimated to be 35,000, of which 8,500 are Iranians.
  - The majority of the Iranian nationals residing in the US are either Zoroastrian, Jewish or Christian.
- The most significant threat to NYC in the event of US military action against Iran will likely originate with the Iranian government, through the Iranian Intelligence Services (IIS), which allegedly operates locally through the Alavi Foundation and the Iranian Mission to the United Nations.
  - The IIS has the potential to provide financial and logistical support to terrorist groups and/or individuals willing to commit terrorist acts in NYC on behalf of Iran. These alliances may be convenient bargains struck between the IIS and willing parties, either Sunni or Shi'a.
- The Alavi Foundation, an ostensibly not-for-profit, Iranian cultural organization, has an established presence in NYC.
  - Source reporting indicates that members of Alavi Foundation are worshipping and conducting business at the Al-Khoei Islamic Center located in Jamaica, Queens, and that the foundation is a significant source of funding for the Razi School / Islamic Institute of NY, located in Woodside, Queens.
- Mujahedin-e Khalq Organization (MEK), an Iranian opposition group, which is designated by the US Department of State as a terrorist group, has presence in NYC.
  - MEK is strongly opposed to the current Iranian administration and it is believed not to pose a threat of retaliation should the US engage Iran militarily.
- Terrorist groups traditionally funded by Iran, including Hamas, Palestinian Islamic Jihad (PIJ) and Hezbollah, may shift their focus of activity in NYC from fundraising to conducting terrorist operations.

- It is likely that if Hamas were to conduct a terrorist operation in New York City, it would do so indirectly so as not to jeopardize its tenuous status as a legitimate government entity. It is more probable that ancillary groups or persons associated to Hamas would carry out any terrorist act sponsored by them.
- Rural jurisdictions surrounding New York City provide atmospheres conducive to the covert planning and preparation of a terrorist attack. Consequently, the danger posed from an Iranian attack on New York City may emanate from these environs.

Recommended Actions.

Terrorist Interdiction Unit / Special Services Unit:

- Cultivate UCs/sources of Iranian descent capable of speaking Farsi.
- Expand and focus intelligence collection at the Al-Khoei Islamic Center.
- Expand and focus intelligence collection at the Bronx Muslim Center and its affiliated locations.
- Expand and focus intelligence collection at locations affiliated with the MEK.
- Expand and focus intelligence collections at Shi'a mosques.

Leads Investigation Unit:

- Identify leads with subjects of Iranian descent or associated with Iranian Intelligence, with special attention to those concerning photography or other known surveillance methods.
- Identify leads with subjects or locations having ties to Hamas, Hezbollah, PIJ, MEK or the Alavi Foundation. This will include mosques and other meeting places.
- Forward identified leads to the appropriate investigating units.

Priority Targeting Section:

- Establish a dedicated investigator for the intelligence collection specific to the Iranian – US conflict.
- Expand and focus intelligence collection relative to the Alavi Foundation and the Razi School.
- Assess both terrorist and criminal acts for possible prosecution.
- Direct case investigators responsible for Hamas, PIJ, Hezbollah, and the Bronx Muslim Center to be cognizant of the impact the Iranian – US conflict will have on their investigations.
- Direct the investigators to consistently question their sources for information regarding this matter.
- Identify targets in need of strict surveillance by Technical Operations Unit.

Intelligence Analytical Unit:

- Coordinate intelligence collection and analysis relative to this threat.
- Establish a dedicated analyst specific to the Iranian – US conflict.

- Identify and analyze DD5s containing intelligence directly and indirectly related to the Iranian – US conflict.
- Monitor relevant "open-source" material.
- Open and maintain lines of communication between all Intelligence Division Units.
- Create related reports and disseminate appropriately.

<u>Demographics Unit</u>:
- Focus unit assets on locations most likely to generate information that would further our investigative/operational efforts.

<u>Field Intelligence Officers</u>:
- Utilize precinct personnel to gain a better understanding of the Shi'a communities within their commands.
- Identify potential locations of interest within their commands.
- Identify arrestees and other individuals for debriefings having a potential nexus to this conflict.
- Cultivate confidential informants and sources of information to be utilized by the appropriate units.

<u>Citywide Debriefing Teams</u>:
- Identify arrestees and other individuals for debriefing having a nexus to this conflict.
- Disseminate gathered intelligence to the appropriate units through DD5s.
- Cultivate confidential informants and sources of information to be utilized by the appropriate units.

<u>Cyber Unit</u>:
- Monitor internet for information in regards to the Iranian – US conflict.
- Consider implications of conflict on "second generation" sites.

<u>Strategic Intelligence Unit</u>:
- Foster working relationships and intelligence sharing efforts among law enforcement agencies surrounding NYC in order to anticipate and mitigate threats emanating from these areas.
- Cultivate confidential informants and sources of information specific to this matter.

<u>Liaison Unit</u>:
- Focus international intelligence collection on the Iranian threat, to include the activities of the IIS, Hezbollah, Hamas etc. throughout Europe and the Middle East.

Background:

Demographics

Open source research revealed that NYC's Shi'a community is an estimated 35,000, comprised mostly Iranian, Iraqi and Lebanese nationals. Shi'as comprise approximately 20% of Pakistan's population, but it is presently unknown what percentage of NYC's sizeable Pakistani population is Shi'a. According to US Census data, 8,500 Iranian nationals reside in NYC and 17,300 in NY State. Estimates of the Iranian Diaspora in the US vary from 700,000 to 1.5 million, larger than the Census total of 283,000. The largest US population of Iranians is in Los Angeles, followed by Virginia and Maryland. According to Census data, 950 Iraqi nationals reside in NYC and 2,700 in NY State. Open source indicates that approximately 90,000 immigrants born in Iraq reside in the US, with Michigan, California, and Illinois as the states with the largest Iraqi foreign-born population. 11,400 Lebanese nationals reportedly reside in NYC and approximately three million Americans claim Lebanese descent. Considering the effects of illegal migration and the substantial margin for error in the Census numbers, these figures are likely to be significantly greater. It should be noted that the majority of Iranians residing in US are either Jewish or Christian and the US Lebanese émigré community is predominantly Christian.

The Palestinian community, although not Shi'a, should be also assessed due to presence of Hamas members and sympathizers and the group's relationship with the Iranian government. According to US Census data, 3,100 Palestinians reside in NYC.

Iranian Entities

Iranian Intelligence Services

In June of 2004, two security guards working at Iran's mission to the United Nations were deported for conducting surveillance of NYC landmarks in a manner "incompatible with their stated duties." According to an NYPD report, six Middle Eastern males were observed taking pictures of bridges. When questioned by police they stated that they were sight seeing and did not know their actions were illegal. One individual produced diplomatic identification and stated that he was with the Iranian Mission. The remaining individuals produced identifications and stated that they were from Iran. It is a possibility that these persons were operating under the auspices of the Iranian Intelligence Services (AKA Iran Ministry of Intelligence and Security).

Iranian Intelligence Services (IIS) has an extensive record in conducting international operations. Open source research reveals that the IIS is responsible for intelligence collection to support terrorist operations and liaison activities with supported terrorist groups. Iran is also known to use humanitarian and diplomatic footholds as cover for their intelligence operatives. According to Argentinean intelligence services, Iran and Hezbollah were responsible for the bombing of a Jewish community center in Buenos Aires in July 1994. The same report also states that Iran and Hezbollah were behind the bombing of the Israeli Embassy in that city in March 1992. It is believed that

the Iranian Intelligence Minister Ali Fallahian ordered the 1992 killing in Berlin of Sadegh Sharaf-Kindi, leader of the Democratic Party of Iranian Kurdistan. A German Federal Prosecutor issued an arrest warrant for Fallahian in 1996.

A 1997 Defense Intelligence Agency (DIA) report detailed Iranian plots targeting US interests in Tajikistan involving kidnapping, threats and the casing of US diplomats by Iranian intelligence operatives. In the fall of 2003, UK law enforcement officials questioned Iranians claiming to be tourists after they were observed filming buildings tied to the Jewish community in London. According to Newsweek, a year earlier, Swiss authorities traced a similar apparent attempt to survey a Jewish target in Geneva to an Iranian diplomatic mission. In September of 2004, an Iranian agent was observed surveying the Hyatt Regency Hotel that Houses the Israeli and Japanese embassies in Baku, Azerbaijan and was arrested by local authorities. The videotape in the diplomat's possession included footage of exits, entrances, access routes and a local police station.

Alavi Foundation

The Alavi Foundation, formerly known as the Mostazafan Foundation and reported to fund mosques that support Hamas and Hezbollah, has an office in NYC. Allegedly, the board of directors of the Alavi Foundation has past links to the Revolutionary Iranian government. Other intelligence sources indicate that the Foundation may be entirely controlled by the Iranian Government. NYPD sources indicate members of the Alavi Foundation may be attending prayer services and conducting business at the Al-Khoei Islamic Center in Queens and that the Foundation is a significant source of funding of the Razi School, located in Woodside, Queens.

The Alavi Foundation's self-defined purpose is "to promote understanding and harmony among people of different religions," providing assistance to public organizations "during times of hardship and deprivation caused by war or natural disasters." The Foundation also provides financial assistance to non-profit organizations that are involved in the teachings of the Islamic culture. However, FBI officials have suspected that the Alavi Foundation is using its Islamic Centers as a means of penetrating the Black Muslim community to recruit sympathizers. According to open source reports, black Muslims involved in the 1993 WTC bombing were recruited from Mosques in Jersey City, NJ and Brooklyn. Sheik Abdul Rahman frequently preached at the Brooklyn Mosque, which allegedly received funding from Alavi. It was also reported that Mohammad Mahallati, who served as President of the Alavi Foundation, was investigated in 1993 by the Commerce Department for allegedly trying to buy Botulinum toxins, potentially used to manufacture biological weapons, on behalf of Iran.

Mujahedeen-e-Khalq (MEK)

Mujahedeen-e-Khalq (MEK), designated as a terrorist group by the US Department of State, reportedly has presence in NYC. MEK is strongly opposed to the current Iranian administration, and it is not believe to pose a threat to the US. The group's actions here are typified by several incidents where suspected MEK members disrupted speeches and protested against Iranian government officials visiting and/or present in US.

Groups and Entities Traditionally Funded by Iran

Law enforcement research reveals that alleged members/sympathizers of known terrorist organizations traditionally supported and financed by Iran, have a presence in NYC area. Palestinian, Iraqi and Lebanese individuals and locations affiliated with Hezbollah, Hamas and Palestinian Islamic Jihad (PIJ) are the subjects of ongoing NYPD investigations.

Hezbollah

A NYC-based group of Lebanese nationals has been identified as being comprised of members/supporters of Hezbollah. These individuals are from southern Lebanon and are allegedly directing to Hezbollah the proceeds from the sale of counterfeit merchandise. In July 2005, large amounts of counterfeit merchandise were seized from alleged Hezbollah members/supporters in Manhattan. A cassette tape and a CD from the Al-Khoei Center were found among the sized goods. Furthermore, an NYPD source indicated that Hassan Fares, a known Hezbollah member/sympathizer and the owner/lease holder of a rental space in Manhattan, allegedly extorted funds from his tenants and donated those funds to Al-Khoei. In November 2003, the subject allegedly collected $3,000 from each of his tenants, in addition to their rent, having implied he would force them out if they did not comply. In November 2004, Fares allegedly threatened to force his tenants out of their rental spaces if they did not pay him $10,000 in addition to their rent. Fares is the subject of an ongoing JTTF investigation.

Hassan Fares has been observed in attendance at Al-Khoei Center and has close ties to Fadhel al-Sahlani, the Imam of Al-Khoei. The Iraqi-born al-Sahlani is alleged to be the highest Shi'a religious authority in North America. On January 13, 2006, al-Sahlani was quoted by media sources stating that the Holocaust "has been exaggerated," that "the numbers which have been mentioned are too much." Al-Sahlani added that the "killing of innocent Jews during the war was an injustice," but that the extent of Nazi persecution needed further examination. This was in support of the statements made the Iranian President in regard to Holocaust. The Al-Khoei Center and al-Sahlani have been the subjects of law enforcement investigations by NYPD, JTTF and the FBI. Al-Sahlani is the subject of a JTTF investigation for "attempting to depart the country with excess funds" and in late 2003, he was the subject of a lead investigation conducted by the Queens Case Team that alleged al-Sahlani was providing funds to a terrorist organization overseas. In January 2004, the case was closed as "unfounded."

Open source research suggests that the UK-based Al-Khoei Benevolent Foundation, of which Al-Khoei Islamic Center is part, is the largest Shi'a organization in the world. Treasury Enforcement Communication System (TECS) inquiries reveal the Al-Khoei Benevolent Foundation allegedly imported Islamic books from Lebanon into the US. In addition, according to the California-based Islamic Education Center's (IEC) newsletter, an "Al- Khoei Center" in New York was identified as an organization where IEC members (in this case, California State prison inmates) can obtain books and other similar resources.

TECS further revealed another suspect financial transaction associated with Al-Khoei. On 06/05/2004, Amir Kamezi, representing an unknown company in the UK, e-mailed the Chemical Propulsion Information Agency (CPIA) at Johns Hopkins University for the purpose of purchasing information regarding chemical propulsion for possible ultimate destination of Iran, via the UK, in violation of the OFAC regulations. On 08/05/2004, Mohammad Aali Ahmadi contacted CPIA in behalf of Kazemi stating that funds were wire-transferred for the information requested. CPIA discovered that the funds were transferred from a bank in Iran and it appeared that the account was associated with Al-Khoei Benevolent Foundation UK.

Iran maintains a close relationship with Hezbollah, a Shi'a Islamist group responsible for several terrorist acts against US and Israel in the 1980s and 1990s. The Syrian withdrawal has left a vacuum for Iran to expand its influence in Lebanon and over Hezbollah. Hezbollah international network, according to terrorism analysts, is believed to include at least 15,000 operatives in cells in the US, Canada, the Caribbean, South America, Europe, Indonesia, Malaysia, and throughout Africa.

According to US intelligence officials, Hezbollah maintains agents and sleeper cells in the US ready to attempt terrorist attacks should this become an objective of the group, possessing an operational capacity in the US similar to that of Al-Qaeda. In June 2002, two Charlotte, North Carolina, brothers, Mohamad and Chawki Hammoud, were convicted of providing material support to Hezbollah. The terror cell reported directly back to a senior Hezbollah military commander in Lebanon and was part of a larger North American network responsible for raising funds and procuring dual-use technologies for Hezbollah. Items were purchased in both the U.S. and Canada and included goggles, global positioning systems, stun guns, naval equipment, nitrogen cutters and laser range finders.

Hamas/Palestinian Islamic Jihad

Hamas supporters/members have been identified among a NYC group of Palestinian nationals who originate from a small town in Palestine, Ein-Yabroud, which is a Hamas stronghold. Many others from that town now reside in the US (NYC, Chicago, NJ, Georgia and Puerto Rico) and own and operate furniture and carpet stores, generating funds that are allegedly funneled to Hamas. NYPD source reporting indicates that individuals believed to be supporters/members of Hamas may have links to the Bronx Muslim Center and the Islamic Society of Bay Ridge, noting that in 2003

Mohammed El Mazin, the suspected North American leader of Hamas, was a guest speaker at the Islamic Society of Bay Ridge. In addition, in June 2003, the FBI arrested four individuals who were seen in of the Islamic Society of Bay Ridge and who allegedly had links to Hamas.

In 2002, a New York Sun reported that the FBI concluded that 50 to 100 trained Hamas and Hezbollah agents had already infiltrated the US where they focus on fundraising and logistics, but also have the potential of being operational. In February, 2005, FBI Director Robert Mueller stated that "although it would be a major strategic shift for Hamas, its United States network is theoretically capable of facilitating acts of terrorism in the United States."

Palestinian nationals in leadership roles at the Bronx Muslim Center are alleged to have ties to PIJ members in the Palestinian Territories. There are indications that PIJ may fundraise via mosques and religious/charitable organizations. In February 2003, Dr. Sami Al-Arian, a computer-engineering professor at University of South Florida, was arrested and indicted on 50 terrorism-related charges. US Attorney General, John Ashcroft alleged Al-Arian is the North American head of the PIJ. On March 2, 2006, Al-Arian entered a guilty plea to a charge of conspiracy to make or receive contributions of funds, goods or services to or for the benefit of the PIJ.

Terror Funding:

In NYC, individuals affiliated with Hamas generate funds via furniture and carpet stores. These funds are allegedly sent abroad where they underwrite terrorist activities.

The State Department reports on terrorism for 2005 (released on April 28, 2006) accuses Iran of providing "extensive" funding, weapons, and training to Hamas, Palestinian Islamic Jihad (PIJ), the Al Aqsa Martyr's Brigades, and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC). Of these groups, PIJ is closest politically to Iran.

Reportedly, Hamas has received approximately 10% of its budget in the early 1990s from Iran. In addition, some Muslim charities in the United States, Canada, and Western Europe funnel money into Hamas-backed social service groups. In December 2001, the Bush administration seized the assets of the Holy Land Foundation on suspicions it was funding Hamas. In April 2006, at a conference in Tehran of Palestinian militant leaders, Iran pledged $50 million to the Hamas-led government, with similar amounts pledged later by Qatar, Saudi Arabia, UAE, and Kuwait.

In NYC, individuals affiliated with Hezbollah generate funds from the sale of counterfeit merchandise. Western intelligence sources estimate Hezbollah's operational budget to be approximately $200-$500 million annually, including $100 million annually from Iran. Other sources of funding include Syria, charitable organizations, individual donations, legitimate business, and illegitimate businesses such as illegal arms trading,

cigarette smuggling, currency counterfeiting, credit card fraud, theft, operating illegal telephone exchanges, and drug trafficking.

Locations:

- Imam Al-Khoei Islamic Center – Al-Khoei Benevolent Foundation
    - Address: 137-11 90th Avenue, Jamaica, NY
    - Website: http://www.al-khoei.org
    - Congregation: Shia - Lebanese, Iranian, Iraqi and Pakistani

- The Bronx Muslim Center
    - Address: 702 Rhinelander Ave, Bronx, NY
    - Congregation: Sunni - Palestinian, Yemeni

- Islamic Center of Bay Ridge
    - Address: 6807 5th Avenue, Brooklyn, NY (68 Precinct)
    - Congregation: Sunni - Egyptian, Moroccan and Palestinian

- Alavi Foundation
    - Address: 500th Fifth Avenue, 39th Floor, New York, NY

- Islamic Institute of NY/Razi School/ Imam Ali Mosque
    - Address: 55-11 Queens Boulevard, Woodside, NY

- Iran Mission to United Nations
    - Address: 622 Third Ave. New York, NY

- **Other Shi'a Locations in the vicinity of NYC.**
    - Al-Hussini Madressa; 48-67 58th St, Corona, NY
    - Masjid Al-Rahman: 333 86th Street, Brooklyn, NY
    - Al-Mahdi Foundation: 779 Coney Island Avenue, Brooklyn, NY
    - Shia Ithna-Asheri Jamaat of NY: 48-67 58th St, Woodside, NY
    - Shahe Najaf Islamic Center: 124 Street, Brentwood, NY
    - Shia Association of North America: 144 Jacqueline Ave. Delran, NJ
    - Muslim Foundation, Inc: 22 Tomar Ct, Bloomfield NJ
    - Astane-Zahra 14 Mt. Vernon Road, Englishtown, NJ
    - Bait-ul-Qaim: 337 Conrow Road, Delran, NJ
    - Mehfile Shahe-Khorasan: 36 Tenafly Road, Englewood, NJ
    - Imam-a-Zamana-Foundation of North America: 235 Georgia Rd Freehold, NJ
    - Islamic Institute of Ahl'albait: 82 Somerset Street, West Hartford, CT